

Rate Schedule CAP-NFT3  
SCHEDULE 7 to Tariff  
(Supersedes Schedule CAP-NFT2)

**UNITED STATES DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION**

**DESERT SOUTHWEST CUSTOMER SERVICE REGION  
CENTRAL ARIZONA PROJECT**

**NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE**

Effective:

The first day of the first full billing period beginning on or after January 1, 2016, through December 31, 2020, or until superseded by another rate schedule, whichever occurs earlier.

Applicable:

The transmission customer will compensate the Central Arizona Project (CAP) each month for Non-Firm Point-To-Point Transmission Service under the applicable agreement and the formula rate described herein.

Formula Rate:

|  |   |  |
|--|---|--|
| Maximum Non-Firm Point-To-Point<br>Transmission Rate | = | Firm Point-To-Point<br>Transmission Rate |
|--|---|--|

A recalculated rate will go into effect every January 1 based on the above formula and updated financial and operational data. Western will notify the transmission customers annually of the recalculated rate on or before December 1. Discounts may be offered from time-to-time in accordance with Western's Open Access Transmission Tariff .

Character and Conditions of Service:

Alternating current at 60 Hertz, three-phase, delivered and metered at the voltages and

points of delivery established by contract or service agreement over the CAP 115/230-kV transmission system.

Adjustment for Reactive Power:

There shall be no entitlement to transfer of reactive kilovolt amperes at delivery points, except when such transfers may be mutually agreed upon by the parties and contracting officer or their authorized representatives.

Billing:

Billing determinants for the formula rate above will be as specified in the service agreement. Billing will occur monthly under the formula rate.

Adjustment for Losses: [This section was superseded by Rate Schedule DSW-TL1]

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement. If losses are not fully provided by a transmission customer, charges for financial compensation may apply.

Navajo Transmission Service (500-kV):

Western will market excess transmission service from the Navajo (500-kV) portion of the CAP on a short-term basis at the formula rate described herein.